



**Molina Healthcare of California**  
**Delegation Oversight Program Description**

## **INTRODUCTION:**

Molina Healthcare of California (“Molina”) is committed to ensuring compliance and oversight activities of all Subcontractors and/or Downstream Subcontractors. It is Molina’s intention to work with subcontractors and downstream subcontractors when delegation of certain function(s) is mutually beneficial to both subcontractors and increases value for members to the Medi-Cal or Medicare contracted programs, such as, improving quality of care for members, increasing access to care or possessing the ability and experience to provide culturally appropriate care or treatment of specific populations of Molina members. In all California counties where Molina conducts business, Molina’s Provider Network is comprised of directly contracted providers, subcontractors and downstream subcontractors. Subcontractors and downstream subcontractors are comprised of provider groups, Independent Physicians Associations (IPAs), hospitals or clinics. Subcontractors are responsible for providing covered services and may also be delegated partially or for administrative functions. Delegated responsibilities include a single or multiple functions, such as, Call Center Services, Utilization Management, Claims, Transportation Services or Provider Credentialing. Molina subcontractors may contract with a downstream subcontractor to, in part or wholly, handle Molina delegated functions. Where Molina delegates responsibilities to its subcontractors and downstream subcontractors, Molina conducts extensive oversight of subcontractors and downstream subcontractors to ensure compliance and retains full accountability to comply with state and federal requirements, NCQA, Medicare, Medi-Cal, Covered CA and state and federal laws.

The purpose of this Program Description is to provide an overview of Molina’s Delegation Oversight Program, its processes and expectations when a group expresses interest in delegation of a function and the continual delegation process. As expectations, roles and responsibilities, and requirements vary by the function being delegated, or the lines of business included in delegation, refer to Delegation Oversight Policies and Delegation Oversight Procedures for the requirements of each function delegated.

### **I. DELEGATION OVERVIEW**

When Molina enters delegated arrangements with a Subcontractor and/or Downstream Subcontractor, established Delegation Oversight processes shall be followed. In the absence of regulatory guidance for any given function, Molina will apply NCQA and/or Molina based oversight and monitoring expectations to any function being delegated including pre assessment audits, annual audits, and at least quarterly reporting of delegated function(s). In the event regulatory guidance exists that exceeds NCQA specifications, the more stringent requirements will apply, as appropriate.

In all counties where Molina operates, the Plan employs a delegation model in its provider network where Molina contracts with IPAs, Medical Groups, Hospitals and clinics to provide covered services and delegates responsibility for the management of administrative and care functions such as Utilization Management, Claims or Credentialing. While subcontractors and/or downstream subcontractors may be responsible for the handling of delegated functions, Molina remains fully accountable under the terms of its State and Federal contracts.

**A. Delegated Functions:**

Molina may delegate function(s) to a Subcontractor and/or Downstream Subcontractor based on the entity's ability to meet specific requirements. The current scope of delegation includes Member Call Center, Claims Administration, Credentialing Services, Transportation, Sanction Monitoring, and Utilization Management functions. When the need to expand functions beyond these areas exist, Delegation Oversight will meet with appropriate business area owners and/or functional area experts to establish requirements, performance expectations, delegation agreement language, standard reporting templates, and audit tools. Once all components are finalized, delegation of the new function will be implemented to the appropriate Subcontractor and/or Downstream Subcontractor.

**B. Pre-delegation Assessment:**

Applicable pre delegation surveys will be distributed to the Subcontractor and/or Downstream Subcontractor interested and qualified for delegation. The purpose of the assessment is to evaluate the subcontractor's ability to meet Molina minimum requirements for delegation. Molina Delegation will not proceed with delegation until a subcontractor has established processes that meet the minimum requirements.

**C. Delegation Agreement:**

All Molina subcontractors must review and sign a delegation agreement. The delegation agreement identifies all responsibilities pertaining to the delegated function(s), specific policy expectations, monthly quarterly performance expectations, monthly and quarterly reporting responsibilities. These requirements and expectations comply with all NCQA, Medicare, Medi-Cal contract, and state and federal statute. Delegation agreement must be finalized before pre assessment activities can start.

**II. PRE-ASSESSMENT PROCESS**

Once agreement on delegation is finalized, a pre-assessment audit is scheduled. The pre-assessment audit will establish the subcontractor's ability to meet expectations and identify where revisions and/or remediation is needed. In all cases, Molina will work with the subcontractor to ensure that pre-assessment audit is completed prior to delegation effective dates. In extreme cases where a full pre assessment audit is not possible (e.g., health care pandemic, natural disaster, etc.), a remediation plan that includes at least quarterly review of the areas missing from the pre assessment will be required. These quarterly reviews will continue at the discretion of Molina.

**A. Audit Scope:**

At a minimum, all pre assessment audits will include review of policies and procedures, program descriptions, workflows, standard operating procedures, review of committee minutes, and ongoing monitoring documentation as applicable. Policies and procedures must meet minimum acceptable standards and when Medi-Cal line of business is included, policies must also comply with the applicable state requirements and Molina's Medi-Cal contract.

When delegation includes functions like call center or claims administration, onsite reviews may be required to ensure facilities are appropriately set up to ensure confidentiality, security, and compliance with HIPAA and PHI requirements.

## **B. File Reviews:**

When possible, file reviews will also be completed prior to delegation effective dates. In instances where a subcontractor and/or downstream subcontractor is delegated for a function that includes use of Member PHI, file reviews will be delayed until 150 calendar days after the contract effective date. This ensures that Molina can complete a full review of unredacted files to ensure the subcontractor is compliant with all applicable requirements.

Any issues identified during file review may result in additional auditing efforts, focused quarterly file review, or full audits completed more frequently than once every 12 months.

## **C. Committee Review and Decision:**

Once the pre assessment audit is complete, including file reviews (when possible), audit results are summarized, and areas of concern will be submitted to the next available Delegation Oversight Committee (DOC). When appropriate or necessary, an adhoc meeting may be scheduled, or the vote may be held by e-mail.

The DOC is the governance committee responsible for reviewing recommendations made by the Delegation Oversight department and oversight activity conducted. By reviewing department recommendations and oversight results, DOC makes guiding delegation oversight program decisions, including:

1. Approve delegation; or
2. Approve delegation with corrective action; or
3. Pend delegation for additional information; or
4. Deny delegation

The results of the audit will be communicated to the Subcontractor including the finalized tools from the audit. When the decision is to approve delegation with corrective action, communication will also include the corrective action plan (CAP), and a due date for responses to address CAP items. Delegation oversight staff will work with the subcontractor to ensure CAP responses are received timely, fully address the identified issue, and ensure compliance with the area going forward.

If the decision is to pend delegation for additional information, Delegation Oversight staff will work with the subcontractor to gather the needed information and present those further details at the next DOC meeting.

## **III. CONTINUAL MONITORING**

Once approved for delegation, the Subcontractor is required to submit routine performance to delegation oversight staff for monitoring purposes. Delegation of most functions requires monthly reporting. Depending on the function, quarterly or semi-annual reporting may also be required. Refer to the delegation agreement for the frequency of reporting by delegated function.

### **A. Performance Reports:**

Reports are due to Delegation Oversight on a date predetermined by Delegation Oversight each month, reporting on the previous month's performance. Report content is reviewed by delegation oversight staff against performance expectations for the function being delegated, and identification of any potentially areas of concern. Delegation oversight staff will meet with the appropriate team members to review areas of concern, the significance of the performance miss, and what type of remediation efforts are appropriate. Depending on the level of non-compliance and previous month's performance, a Notification of Non Compliance or a Corrective Action Plan (CAP) will be implemented.

**B. Corrective Action Plan (CAP):**

When performance does not meet the performance expectations or are repeat for the same standard three months in a row, a Corrective Action Plan (CAP) is required. CAPs require root cause analysis, documented remediation efforts, preventive efforts to mitigate recurrence and when expected compliance will be achieved. CAPs will remain accepted and open for three (3) consecutive months of compliance performance to ensure non-compliance has been fully corrected.

**C. Joint Operations Meetings (JOM):**

Joint Operations Meetings (JOM) are scheduled with the Subcontractor routinely. Meeting frequency will be determined by Molina and based on the Plan's needs. At a minimum, JOM content will include an update from the Subcontractor and/or Downstream Subcontractor on compliance with delegated performance metrics and discussion of any areas of concern by either Molina or the subcontractor. As needed, JOMs will also include confirmation of compliance with State subcontractor monitoring requirements. JOMs are scheduled and managed by Provider Services Team and key Plan departments (e.g., Quality, Healthcare Services, Delegation Oversight) attend.

#### **IV. ANNUAL AUDITS**

Annual audits are completed for every delegated function, and within 12 – 14 months of the prior assessments. In cases where multiple audits of the same delegated function to the same subcontractor are occurring, audits could occur more frequently than once every 12 months to consolidate audits.

**A. Audit scope:**

Annual audits will include review of policies and procedures, program descriptions, workflows, standard operating procedures, review of committee minutes, ongoing monitoring documentation, and files as applicable. Policies and procedures must meet minimum acceptable standards and when Medi-Cal lines of business are included, policies must also comply with the applicable state requirements. Policies reviewed during previous assessment will be reviewed annually. This ensures policies continually meet requirements each year, and that any revisions to state, federal, or regulatory agency requirements are appropriate reflected in policies.

All annual audits will also review of files and/or recorded calls as applicable. File review will ensure continued compliance with performance requirements. Any issues identified during file

review may result in additional auditing efforts, focused quarterly file review, or full audits completed more frequently than once every 12 months.

**B. Committee Review and Decision:**

Once the audit is completed, including file reviews, audit results will be summarized, and areas of concern will be submitted to Delegation Oversight Committee (DOC). When appropriate, an ad hoc meeting can be scheduled, or the vote may be completed over e-mail.

The DOC is charged with making delegation decisions, including:

1. Approve delegation; or
2. Approve delegation with corrective action; or
3. Pend delegation for additional information; or
4. Deny delegation
5. Escalations, sanctions or termination

The audit results are communicated to the subcontractor including the finalized tools from the audit. When the decision is to approve delegation with corrective action, communication will also include the corrective action plan (CAP), and a due date for responses to address CAP items. Delegation oversight staff will work with the subcontractor to ensure CAP responses are received timely, fully address the identified issue, and ensure compliance with the area going forward.

If the decision is to pend delegation for additional information, Delegation Oversight staff will work with the subcontractor to gather the needed information and present those further details at the next DOC meeting.

**V. SANCTIONS, ESCALATION & TERMINATION**

In the event of a termination by the Plan or its Subcontractor, with or without cause, meetings will occur between the Subcontractor and Molina to ensure full understanding of expectations before and after the termination date. In all cases, both parties will work together to ensure minimal negative impact to Members and Providers. In all cases, the subcontractor is required to continue to meet performance expectations and reporting due dates until all delegation oversight deliverables related to termination is met. Additionally, the subcontractor will continue to accountable to respond to all regulatory audits or data submission if the review dates in question are when delegation was in place.

**A. Termination Reporting:**

In all cases, a decision to terminate delegation will result in the need for additional reporting beyond what is typically in place. This can include reporting on open authorizations, Member care patterns and preferences, or pending claims. Report content will be discussed and mutually agreed to and will start at least 60 days prior to termination effective dates. Reporting will continue for an agreed upon timeframe and will be extend a minimum of one month after the termination effective date. Any reporting failures may result in remediation efforts, including CAPs.

**B. Runout Monitoring and Reporting:**

When termination of delegated functions includes Claims Administration, runout reporting and monitoring is required. Claims reporting must continue until claims for all dates of service are accounted for, or until a pre-determined date determined by Molina. Claims runout audits may also be completed where needed, to ensure continued compliance with claims timeliness and interest payments.